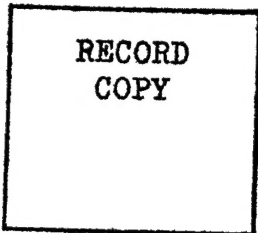


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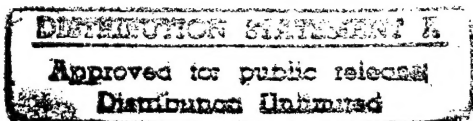
AT THE THRESHOLD OF THE SIXTIES

- USSR -

by V. Solodovnikov

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AT THE THRESHOLD OF THE SIXTIES

[This is a translation of an article written by V. Solodovnikov in Ogonek (Beacon), No 1, Moscow, January 1960, pages 4-5.]

Three hundred sixty five days is but a moment in the lives of nations. But the history of man has had some truly breath-taking "moments." Nineteen fifty nine bids fair to be such a year of greatness.

The first year of the Seven-Year Plan! Yes, this was a period of striking victories, rare even for our explosively growing country. This was the year of proud designs and monumental deeds, the creative elan of millions and the astonishing flowering of our science and technology.

We enter the sixties of the twentieth century in a fine, enthusiastic mood. All those who value peace, democracy and socialism rejoice with us, and the name of our friends today is legion.

But our enemies must also admit today that in the historic competition between capitalism and socialism, the new, progressive order is coming to the fore, that the workers and peasants who have taken power in their own hands, in keeping with the teaching of Marx and Lenin, and are building a new, happy life, are winning out. Here are three volumes prepared in the United States containing the report entitled "Comparative Analysis of the Economics of the United States and the Soviet Union." The basic findings of this report, recently discussed at the meeting of the subcommittee on economic statistics, attached to the Joint Economic Commission of the United States Congress [sic], are reduced to the following: "The Russian economy is even stronger than has been acknowledged by the majority. In the coming decade, the economy of the Soviet Union will continue to develop even more rapidly than the economy of the United States."

The Soviet people naturally rejoice over such admissions. We should like to note the essential alteration in the position from which the West converses with the East. What has happened to the formerly boastful and aggressive tone? They are beginning to understand on the other side of the ocean that it is useless to talk to the socialist camp while threatening it with weapons. Especially, after the

historic visit of N. S. Khrushchev to the US, and after the ice of the "cold war" began to crumble owing to the efforts of the USSR and all the world forces of peace. Even in America, where the psychosis of the "cold war," I would say, amounts to a national calamity, the representatives of the most varied social circles prefer an analysis of statistical data on the production of machinery and grain, meat and knit goods in our country and theirs, to the comparison of the ominous achievements of military technology.

This is not a new problem. October 1917 put it on the agenda: Who will best whom? What will emerge victorious in the economic competition, capitalism or socialism? And perhaps, now, as never before, the dispute about the course and prospects of this competition, primarily the economic competition between the United States and the USSR, is one of the focal points of ideological struggle between two worlds. As the Joint Economic Commission of the US Congress has put it, it is "the subject of an enraged international controversy."

The writer of these lines, being a student of the problems of Soviet-American relations, has been attentively watching the course of this controversy. For the sake of complete clarity I should like to go over the history of the problem for the edification of our opponents.

In 1955, the US Congress published a report entitled: "Economic Development Trends in Countries of the Soviet Bloc in Comparison with Western Powers," prepared by a group of economists from Harvard, Columbia and a number of other American universities. The authors of the report, acting on the principle that "every fox praises its own tail," asserted that in 1975 the gulf between the USSR and the United States with respect to the per capita and total production of physical goods will become even greater as against 1955. In response to this report, the Soviet economists published a number of brochures and articles and later, a book entitled "Economic Competition Between Two World Systems" (1957) in which they used concrete facts and figures to prove that by 1975 the Soviet Union will put an end to the industrial superiority of the US.

The American reaction was instantaneous and rather nervous. Before the end of 1957, the Joint Economic Commission of the United States Congress published a new report: "The Economic Growth of the Soviet Union in Comparison with the United States." Its authors -- more than 40 eminent United States professors and leading specialists -- are forced to admit that the rate of the economic growth of the USSR is greater than of the US. Nevertheless they prophesied on

the other side of the ocean that the Soviet Union will lag for an "indefinite amount of time" behind the US in regard to the productivity of social labor and also, in regard to the dimensions of per capita production and consumption. The Soviet economists have repudiated these "predictions." A book entitled, "Economic Competition Between the USSR and the United States" was prepared and published. It was devoted to an analysis and exposure of the conclusions of American Congressional experts. It was scientifically proved that the preservation of present-day trends of economic development in the USSR and the United States will result in the equalization of their levels in the next 10; 12 years. And this would make it possible for our country, thanks to the advantages of the socialist system, to establish the highest standard of living in the world.

Worried by the Seven-Year Plan and the bad news (bad for the US monopolists) about the overfulfilment of the plan during the first year of the Seven-Year Plan, the Joint Economic Commission of the United States Congress decided to examine anew all the aspects of the economic competition between the USSR and the United States. As a result of the latest inspection tour a new document appeared two months ago: "A Comparative Analysis of the Economy of the US and the Soviet Union," which was made the subject of a public discussion. This is a collection of reports prepared at the orders of the Committee by the most prominent American "authorities on Soviet affairs." Among the opponents we meet old acquaintances, Professor Warren Natter of Virginia University, well known in our country, Professor W. Eason of Princeton University and other scientists from a number of the largest universities of the country and also various private and state research organizations. The irritated tone of some of the colleagues across the ocean did not surprise us: controversy being controversy. But we were taken aback by the strikingly poor memory of our opponents.

I have mentioned the name of Professor Natter. This is perhaps the most prominent United States specialist on competition between the American and the Soviet economy. On the threshold of 1957 he read a paper at a meeting of the American Association of Economists in which he asserted: "During the entire Soviet era, Soviet branches of industry historically lost out to related American branches, that is, as a rule, the gulf between them widened with respect to both the general volume of production and to per capita production."

A year passed and Natter imparted his comparative calculations of the respective rates of growth of the USSR and

the United States to the same association. First, the Professor decided to take as the basis of research a "mixed" period like 1913-1955. It is easier to make biased calculations on such a foundation to arrive at the desired result: namely, that the USSR industry is developing at a slower rate than the American and even... the Russian pre-revolutionary.

This is slight evidence indeed on the strength of which to jump to such extravagant conclusions! Now make up your minds: does the USSR have the slightest chance to overtake the United States? More level-headed American specialists noted during the course of the discussion that Natter's computations "were no more than a statistical result, of little value in understanding the nature of Soviet economic development and entirely devoid of predictive importance."

And now another year has passed. And again Natter submits a report - the fruit (as the author asserts) of a broad study of the development of Soviet industry conducted during the last five and a half years by the National Bureau of Economic Research. What do we read?

"During equal periods, industrial production in the Soviet Union on the whole increased more rapidly than in the United States."

This was said about the past. And this is what was said about the future:

"If we consider the very near future, say, the next five years, it seems rather certain that industry in the Soviet Union will grow much more rapidly than in the United States."

Was this really written by Professor Natter, the same Natter who quite recently cast doubt on the very possibility of successful economic competition between the USSR and the United States? I think that there is no need even to remind the Natter of 1959 of the predictions and investigations of Natter in 1957-1958. Since, after all is said and done, the heart of the matter has nothing to do with him. We have devoted these lines to him with only one purpose: to bring out the striking evolution of the views of American economists. A stamp of this evolution is on all the materials of the recent investigations of American economic experts; on all the speeches of the participants in the discussion. The old predictions such as that the Soviet lag will last "for an indefinite period of time," have been consigned to oblivion. Evidently, our American colleagues adhere to the rule: what has irrevocably gone had better be forgotten.

Today, American congressional experts are plainly in

fear of the vigorous growth of the Soviet economy and are raising an alarm. They appeal to the government to undertake urgent measures, asserting that otherwise the economy of the United States will not be able to meet the "Russian economic challenge." But in spite of all this, the troubadours of capitalism do their utmost somehow to belittle the successes of the socialist camp, at least in some areas, because these successes raise in the eyes of millions of common people the already high international prestige of the Soviet state. The main point of attack is the element of time, the pace of production. The fire is concentrated on a decisive point: will the USSR be able, in the period of time it has set itself, to handle its main economic task of overtaking and passing the United States of America in per capita production?

The authors of the latest research evaluate differently the possibility that the Soviet economy may come close to the US level: the periods indicated by them vary in length from 10 to 20 years. But in the chorus of sober voices one hears the dissonant strain plainly designed to drown out all the others, coming from Allen Dulles and Nelson Rockefeller, Governor of the State of New York.

Allen Dulles, while he admits that by 1972 the gulf in the volume of production in the two countries "will become dangerously narrow" (we may thank him for at least this concession to truth), nevertheless, believes that the level of Soviet industrial production will still amount only to 60 percent of the United States level. Nelson Rockefeller goes still further, declaring that it will take the Soviet Union "more than half a century to overtake the United States."

But what are these assertions based on? They are based on very biased calculations.

The periods under discussion depend on two factors: the initial ratio of today's levels of industrial production of both countries and the relative rate of their industrial growth in the coming years. Allen Dulles understands this and tries to argue that the volume of industrial production reached by us is still not more than 40 percent of the United States volume. He is a smooth talker, but what he says is mere falsification. Such a relationship in the volume of industrial production of both countries existed five years ago. And since then, thanks to the unwavering superiority of its production pace, the Soviet Union has taken a giant step beyond the United States and now its industrial output is less than 50 percent behind the US. Below are the figures whose language in a dispute among economists carries the most conviction.

Relationship in the Volume of Industrial Production of the USSR and the USA

Years	Volume of Industrial Production in Percentages in 1953		Growth in Volume of per annum Industrial Production (In Percentages for preceding year)		Volume of Industrial Production in the USSR in percentages in relation to the US
	USSR	USA	USSR	USA	
1953	100	100	—	—	33
1954	113	93	+ 13.2	— 6.7	40
1955	127	104	+ 12.4	+ 11.2	41
1956	141	107	+ 10.6	+ 2.9	44
1957	155	107	+ 10.0	0	48
1958	170	100	+ 10.0	— 6.3	57

These findings based on the data of the TsSU /Central Statistical Administration/ USSR, also confirm the estimates of some bourgeois economists, such as American Professor Hodgeman, British Professor Nowe, and also the learned staff members of the Munich Institute of Economic Research in the Federal Republic of Germany.

Now about the rate of production. Allen Dulles bases his contentions on the belief that in the US it will henceforth constitute, on an average, 4.5 percent of the annual increase of industrial production. (Rockefeller goes farther: not less than five percent.) Granting that "during the last six or seven years it (the rate -V.S.) amounted to no less than three percent," and without citing any proofs whatever, Dulles jumps to the following conclusion: the USA will be able to attain an increase in the rate of industrial growth of no less than one and a half times.

But the facts of life overturn such unproved assertions. The many efforts to raise or at least keep up the same rate of industrial development that has prevailed in the United States during the postwar years have been unavailing. The expectations of the economic experts in the United States Congress also failed. They had composed in 1953 a kind of plan of predictions for the coming decade. According to this prediction, American industrial production should have increased by 20 percent in five years. But in 1958 the latest crisis threw back the American economy to the initial level of 1953.

A certain increase in industrial production in the United States in 1959 does not in the least warrant high expectations for the coming years. Crises of overproduction which reduce to naught the results of the preceding boom period, are becoming ever more frequent. There is a

falling off in the rate of the growth of industrial production. Whereas during the first postwar years it was four or five percent, on an average, today it is considerably lower. A former adviser to the President of the United States and eminent American economist, Leon Keyserling, recently wrote in The New York Times: "Our average annual increase during the period of 1953-1959 is, apparently, only 2.4 percent (and not three percent, as Dulles asserts, V. S.). . . There are no obvious indications that the average increase in the coming six years will be higher, on an average. Many factors indicate the contrary..."

But Dulles and Rockefeller remain optimists. They wish to convince their countrymen that the industrial superiority of the United States is not being threatened. The Soviet industrial pace? Why, it is only one and a half time higher than the American! But even here the figures belie Rockefeller's misrepresentations. If we take the most important branch -- industrial production -- we find that the Soviet pace has considerably surpassed the American all through the postwar period.

It should be noted that the more far-sighted bourgeois economists do not share Dulles's and Rockefeller's optimism; they do not comfort themselves with illusions.

In a speech before the United States Congress, economist Clark declared that according to the calculations of Stanford University in California, "if the present-day trends do not change, Soviet industry will overtake American industry in from 13 to 16 years. Dr. Raymond Jewel vice-president of the University of Buffalo, raises an alarm in his speech at the Economists' Club: "The industrial growth of the Soviet Union during 30 years, from the moment their first Five Year Plan began in 1928, has presented a picture of the greatest industrial development surpassing the development of any country in a similar period of time. . . Today, the largest steel plants and the largest electric power stations in the world are in the Soviet Union. Today, (in 1958.-V.S.) the Soviet Union has already surpassed the United States in the production of coal, machinery and railroad equipment, lumber, iron and aluminum ores, nickel, lead, manganese, wool, milk, butter and sugar. In three to four years they will surpass us in the production of . . . cement, fertilizer and some other basic products."

What then is the most probable amount of time in which the Soviet Union will resolve its main economic problem? If we think in terms of the constant ratio in the size of the populations of the USSR and the United States, then, given the preservation of the relative trends of economic develop-

ment, we may assert that this goal will be attained in 1970, and perhaps somewhat sooner. This is exactly the date named in the report of Comrade N. S. Khrushchev at the 21st Party Congress. Estimates show that whereas in the forthcoming years the rate of the growth of industrial production in the USSR will amount, on the average, to eight or nine percent, and in the US, to not more than two percent, then as early as 1965 the volume of Soviet per capita industrial production will be 72 percent of the United States level, in 1970 -- 101 percent, and in 1975 -- 138 percent.

The actual course of events may revise these estimates. Because not one statistician is able to foresee such factors as creative initiative, innovations, brigades of Communist labor and the socialist competition of Soviet men for whom concepts of "mine" and "ours" have been fused into one, factors on which, to be sure, the capitalist cannot rely. It is impossible to imagine an American worker saying to his boss: "Transfer me to the fellows in the next brigade; they are not doing well and I should like to help them," just as it is impossible to imagine a meeting of workers at a Ford plant discussing the ways and means of furthering the automation of automobile production. All these are factors on which capitalism in its competition with socialism, cannot rely. As for us, we annually feel the ever-growing strength of these factors; so it was in 1959 which passed under the aegis of the overfulfilment of the Seven-Year Plan. And this is natural. The Soviet people know that the sooner they resolve their chief economic problem, the sooner they will ensure the highest living standard in the world.

...The enemies of the camp of socialism, to be sure, will more than once try to belittle our achievements, to calumniate the Soviet regime. In this connection, we should like to quote this example of folk wisdom: the sun does not hide behind a glove, a brave man is not killed by a tall tale.

FOR REASONS OF SPEED AND ECONOMY
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